

September 11th, 2013

**August 21st, 2013 at 4:00 p.m. (ET)
or August 28th, 2013 for US Trustee**

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Michael Agrusa

Human Resources Consultant to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors.

Case No. 12-12020 (MG)

Chapter 11

Jointly Administered

**SUMMARY OF THIRD INTERIM APPLICATION OF TOWERS WATSON
DELAWARE INC. AS HUMAN RESOURCES CONSULTANT FOR THE DEBTORS
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
INCURRED FOR THE PERIOD JANUARY 1, 2013 THROUGH APRIL 30, 2013**

This is a(n): ___ monthly X interim ___ final application.

Name of Applicant: Towers Watson Delaware Inc. (“**Applicant**”)

Authorized to Provide Professional Services to: Residential Capital, LLC, *et al.* (collectively, the “**Debtors**”)

Date of Retention: Order entered on July 25, 2012 retaining Applicant *nunc pro tunc* to June 25, 2012

Period for which Compensation and Reimbursement is sought:	January 1, 2013 through April 30, 2013 (the “ Application Period ”)
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Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$7,308.10
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Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	N/A
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Summary of Monthly Applications for Application Period:

Date Filed	Compensation Period	Requested Fees	Requested Expenses	Fees Paid	Expenses Paid	20% Holdback
4/4/2013	1/1/13 – 1/31/13	\$7,308.10	N/A	\$5,846.48	N/A	\$1,461.62
TOTAL	1/1/13 – 4/30/13	\$7,308.10	N/A	\$5,846.48	N/A	\$1,461.62

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:)	Case No. 12-12020 (MG)
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RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Chapter 11
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Debtors.)	Jointly Administered
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**THIRD INTERIM APPLICATION OF TOWERS WATSON DELAWARE INC. AS
HUMAN RESOURCES CONSULTANT FOR THE DEBTORS FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES
INCURRED FOR THE PERIOD JANUARY 1, 2013 THROUGH APRIL 30, 2013**

For its third interim application for compensation and reimbursement of expenses (the “**Application**”) for the period January 1, 2013 through April 30, 2013 (the “**Application Period**”), Towers Watson Delaware Inc. (“**Applicant**”), Human Resources Consultant to Residential Capital, LLC., *et al.*, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represents as follows:

JURISDICTION, VENUE AND STATUTORY PREDICATES

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 330, 331, and 1103 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 2016-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “**Local Rules**”). This Application has been prepared in accordance with General Order M-447, *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases*, entered January 29, 2013 (the “**Local Guidelines**”), and the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330* effective January 30, 1996 (the “**UST Guidelines**” and, together with the Local Guidelines, the “**Guidelines**”). Pursuant to the Local Guidelines, a certification regarding compliance with the Local Guidelines is attached hereto as Exhibit A.

BACKGROUND

A. The Chapter 11 Cases

3. On May 14, 2012 (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court for relief under Chapter 11 of the Bankruptcy Code. The Debtors are managing and operating their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. These cases are being jointly administered pursuant to Bankruptcy Rule 1015(b). No trustee has been appointed in these Chapter 11 cases.

4. On May 16, 2012, the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed a nine member official committee of unsecured creditors (the “**Creditors’ Committee**”).

5. On June 20, 2012, the Court directed that an examiner be appointed, and on July 3, 2012, the Court approved Arthur J. Gonzalez as the examiner [Docket Nos. 454, 674].

B. Applicant's Retention and Interim Compensation

6. On July 25, 2012, the Court entered the *Order Authorizing Employment And Retention of Towers Watson Delaware Inc. as Human Resources Consultant to the Debtors Nunc Pro Tunc to June 25, 2012* [Docket No. 901], approving Applicant's retention.

7. On July 17, 2012, the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (the "**Interim Compensation Order**") [Docket No. 797]. Pursuant to the terms of the Interim Compensation Order, Applicant, among others, is authorized to file and submit monthly fee applications to the Debtors and their counsel, counsel for the Creditors' Committee, counsel for Ally Financial Inc., counsel for Barclays Bank PLC, and the United States Trustee (collectively, the "**Notice Parties**").

8. On March 4, 2013, Applicant served its fifth monthly fee application covering the period from January 1, 2013 through January 31, 2013 (the "**Monthly Fee Application**") on the Notice Parties. Applicant did not receive any objections to the Monthly Fee Application.

9. For the convenience of this Court and all parties in interest, attached hereto as Exhibit B is a schedule of the total amount of fees incurred under each of Applicant's internal task codes during the Application Period.

10. The total payments received by Applicant as of the date hereof are equal to:
(i) approximately 80% of requested compensation from the Monthly Fee Application.
Specifically, to date, the Applicant has received payments totaling \$5,846.48 representing fees.

11. Applicant maintains computerized records of the time expended in the rendering of the professional services required by the Committee. These records are maintained in the ordinary course of Applicant's practice. For the convenience of this Court and all parties in interest, attached hereto as Exhibit C is a billing summary for the Application Period, setting

forth the name of each consultant who rendered services during the Application Period, each Consultant's concentration, the aggregate time expended by each consultant, the hourly billing rate for each consultant at Applicant's current billing rates, and the individual amounts requested for each professional. The compensation requested by Applicant is based on the customary compensation charged by comparably skilled practitioners in other similar cases under the Bankruptcy Code.

12. Copies of Applicant's computerized records of fees and expenses in the format specified by the Guidelines have been served on the Notice Parties with each of the Monthly Fee Applications and are attached hereto as Exhibit D.

13. There is no agreement or understanding between Applicant and any other person for the sharing of compensation to be received for services rendered in the Chapter 11 Cases.

14. The Monthly Fee Application submitted by Applicant is subject to a 20% holdback (as is customary in this District) imposed by the Court on the allowance of fees. The aggregate amount of Applicant's holdback during the Application Period is \$1,461.62.

15. Applicant respectfully requests, in connection with the relief requested herein, that the Court allow this holdback amount on an interim basis pursuant to sections 330 and 331 of the Bankruptcy Code and authorize the Debtors to satisfy such amounts.

**DESCRIPTION OF SERVICES AND
EXPENSES AND RELIEF REQUESTED**

16. In general, Applicant has represented the Debtors in connection with the following aspects of the Chapter 11 Cases:

- (a) Consulting expertise of health benefits, retirement and technology solutions for the company ResCap as a potential stand-alone business entity

- (b) Transition consulting for integration of benefits to a company that could potentially integrate them to their programs.
- (c) Additional services as required including, but not limited to, Data Collection, Project Management, Benefit analysis, Retirement plan analysis, Benefit design presentations, Retirement design presentations

17. To provide an orderly and meaningful summary of the services rendered by Applicant on behalf of the Debtors during the Application Period, Applicant established, in accordance with the Guidelines and its internal billing procedures, separate task codes in connection with the Chapter 11 Cases. The following is a summary of the most significant professional services rendered by Applicant during the Application Period organized in accordance with Applicant's internal system of task codes:

18. Review cost and data calculations; evaluate actuarial assumptions; revised headcounts and vendor assumptions

- (a) Task Code: Health and Group Benefits

Fees: \$406.60; Total Hours: 1

19. Project Plan for Retirement

- (b) Task Code: Retirement

Fees: \$850.65; Total Hours: 1.5

20. Actuarial peer review of cost exhibits; checking of formulas and data review; prepare illustrations for consultative review

- (c) Task Code: Health and Group Benefits

Fees: \$813.20; Total Hours: 2

21. Update call and project next steps

(d) Contract Administration

Fees: \$337.05; Total Hours: .5


22. The foregoing descriptions of services rendered by Applicant in specific areas are not intended to be exhaustive of the scope of Applicant's activities in the Chapter 11 Cases. The time records attached hereto as Exhibit D present more completely the work performed by Applicant in each billing category during the Application Period.

CONCLUSION

23. Applicant believes that the services rendered during the Application Period on behalf of the Debtors were reasonable and necessary within the meaning of Bankruptcy Code section 330.

24. Applicant therefore requests an order (i) approving interim compensation in the amount of \$7,308.10 (ii) directing payment of all compensation held back in connection with the Monthly Fee Applications, and (iii) granting such other and further relief as may be just and proper.

Dated: August 1, 2013



Michael Agrusa
Senior Consultant
Towers Watson
28411 Northwestern Highway
Suite 500
Southfield, MI 48034

*Human Resources Consultant for Residential Capital,
LLC, et al.*

EXHIBIT A

*Human Resources Consultant to the Debtors and
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:)	Case No. 12-12020 (MG)
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RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Chapter 11
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Debtors.)	Jointly Administered
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**CERTIFICATION UNDER GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF THIRD
INTERIM APPLICATION OF TOWERS WATSON DELAWARE INC. AS HUMAN
RESOURCES CONSULTANT FOR THE DEBTORS FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES
INCURRED FOR THE PERIOD JANUARY 1, 2013 THROUGH APRIL 30, 2013**

I, Michael Agrusa, hereby certify that:

1. I am a Senior Consultant with the applicant firm, Towers Watson Delaware Inc. (the “**Firm**”), which serves as Human Resources Consultant to Residential Capital, LLC., *et al.*, as debtors and debtors in possession (collectively, the “**Debtors**”).

2. This certification is made in respect of the Firm’s compliance with the *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases*, Administrative Order M-447, adopted by the Court on January 29, 2013 (the “**Local Guidelines**”), the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330*, adopted on January 30, 1996 (the “**UST Guidelines**”) and the *Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* (the “**Interim Compensation Order**”) [Docket No. 172], and collectively with the Local Guidelines and UST

Guidelines, the “**Guidelines**”), in connection with the Firm’s application, dated August 1, 2013 (the “**Application**”), for interim compensation and reimbursement of expenses for the period commencing January 1, 2012 through and including April 30, 2013, in accordance with the Guidelines.

3. In respect of Section B.1 of the Local Guidelines, I certify that:

- (a) I have read the Application;
- (b) to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and expenses sought fall within the Guidelines, except as specifically noted in the certification and described in the fee application;
- (c) except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by the Firm and generally accepted by the Firm’s clients; and
- (d) in providing the reimbursable services reflected in the Application, the Firm did not make a profit on those services, whether performed by the Firm in-house or through a third party.

4. All airfare for which reimbursement is being sought is for a coach class fare.

5. In respect of Section A.2 of the Local Guidelines and as required by the Interim Compensation Order, I certify that the Firm has complied with the provisions requiring it to provide the United States Trustee for the Southern District of New York and the Debtors and their attorneys with a statement of the Firm’s fees and expenses accrued during the previous month.

6. In respect of Section A.3 of the Local Guidelines, I certify that each of the Debtors, their attorneys, and the United States Trustee for the Southern District of New York is being provided with a copy of the Application.

Dated: August 1, 2013

A handwritten signature in black ink, appearing to read "Michael Agrusa", written over a horizontal line.

Michael Agrusa
Senior Consultant
Towers Watson
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Suite 500
Southfield, MI 48034

*Human Resources Consultant for Residential Capital,
LLC, et al.*

EXHIBIT B

**SUMMARY OF PROFESSIONAL SERVICES RENDERED BY PROJECT CATEGORY
BY TOWERS WATSON DELAWARE INC. ON BEHALF OF THE DEBTORS FOR
THE PERIOD JANUARY 1, 2013 THROUGH APRIL 30, 2013**

Compensation by Matter

Task Code/Matter Description	Total Billed Hours	Total Compensation
Health and Group Benefits	11.75	\$4,986.20
Contract Administration	.5	\$337.05
Retirement	3.5	\$1984.85
Total Fees Incurred		\$7,308.10

EXHIBIT C

**SUMMARY OF PROFESSIONAL SERVICES RENDERED BY PROFESSIONAL BY
TOWERS WATSON DELAWARE INC. ON BEHALF OF THE DEBTORS FOR THE
PERIOD JANUARY 1, 2013 THROUGH APRIL 30, 2013**

Name of Professional Individual	Department	Hourly Billing Rate	Total Hours Billed	Total Compensation
Senior Consultants				
Jan Vermeulen	Health and Group Benefits	593.85	3	\$1,781.55
Michelle Acciavatti	Contract Administration	\$674.10	.5	\$337.05
Teresa Schepp	Retirement	\$567.10	3.5	\$1,984.85
Consultants				
Ann Byman	Health and Group Benefits	\$342.40	5.5	\$1,883.20
Analysts				
Paul Abdelnour	Health and Group Benefits	\$406.60	3.25	\$1,321.45
Administrators				
Professionals Totals		\$516.81	15.75	
Total Fees Incurred				\$7,308.10

EXHIBIT D

Towers Watson Third Interim Fee Application
Exhibit D

Associate Name	Task Code	Time Sheet Date	Associate Comment	Hours
Michelle Acciavatti	Contract Administration	01/25/2013	update call and project next steps with ResCap tear	0.5
Janet Vermeulen	Health and Group Benefits	01/07/2013	Review revised ResCap breakdown and costs for changes to projected benefits; meet with Paul and Ann to discuss additional changes requested by client	1.5
Janet Vermeulen	Health and Group Benefits	01/10/2013	Conference call with Michelle Tunkara - determine new approach to design and placement of benefits, data request for negotiations with vendors, provide estimated impact on numbers based on smaller organization	1.5
Ann Byman	Health and Group Benefits	01/02/2013	Calculate revised Res Cap cost breakout based on changed ownership alignmer (organizational alignment)	1.25
Ann Byman	Health and Group Benefits	01/03/2013	Calculate revised Res Cap cost breakout based on changed ownership alignmer (organizational alignment)	3.5
Ann Byman	Health and Group Benefits	01/08/2013	Calculate revised Res Cap cost breakout based on changed ownership alignmer (organizational alignment)	0.75
Paul Abdelhour	Health and Group Benefits	01/08/2013	ResCap; actuarial peer review of cost exhibits; checking of formulas and data review; prepare illustrations for consultative review	2
Paul Abdelhour	Health and Group Benefits	01/07/2013	Review cost and data calculations; evaluate actuarial assumptions; revised headcounts and vendor assumptions	1
Paul Abdelhour	Health and Group Benefits	01/09/2013	Update cost projections based on revised census received from Michelle Tunkara	0.25
Teresa L Schepp	Retirement	01/03/2013	calculating estimated DC costs for smaller newco	0.75
Teresa L Schepp	Retirement	01/25/2013	project scoping call with ResCap	1.25
Teresa L Schepp	Retirement	01/28/2013	project plan for retirement	1.5

Grand Total 15.75